

Exhibit 2

Attachment 18
F33657-91-C-0006
Page 68

ement by establishment of a COMSEC account by Program Management.

During FSD, approval will be requested to perform KOV-5 COMSEC development work at facilities other than those identified in the Special Contract Requirements Clause H-025. Development of the KOV-5 will require integration/compatibility testing at the Communication, Navigation and Identification (CNI) subsystem subcontractor's facility and the Common Integrated Processor (CIP) subcontractor's facility.

7.3.2.2 Labor Surplus. Each F-22/NATF team member has in place policies and procedures to implement the requirements of FAR 52.220-3, Utilization of Labor Surplus Area (LSA) Concerns and FAR 52.220-4, Labor Surplus Area Subcontracting Program. In addition, the LSA concerns awarded subcontracts will be reported quarterly as part of the Standard Form (SF) 298, Summary Subcontract Report, submitted as part of the Small Business and Small Disadvantaged Business Subcontracting Plan requirements. All potential LSA concerns are being considered as subcontract sources. Also, the F-22/NATF team will ensure that LSA concerns have an equitable opportunity to obtain subcontracts by arranging solicitations, the time for preparation of offers, quantities, specifications, and delivery schedules so as to facilitate the participation of LSA concerns.

7.3.2.3 Equal Employment Opportunity. Each F-22/NATF team member has in place policies and procedures to comply with Equal Employment Opportunity (EEO) requirements, whether imposed by Executive Order, FAR clauses, or otherwise. Only companies complying with government and company requirements are recognized as approved sources and considered as potential sources. In addition, before entering into first-tier subcontracts for an estimated or actual amount of \$1 million or more, the appropriate pre-award clearances are obtained.

7.3.2.4 Subcontractor Warranty. Our subcontractors are being required to correct deficiencies that occur in their products during the FSD phase. The subcontractors are also required to pass-through the unexpired portions of commercial warranties/guarantees applicable to their products. In accordance with government requirements, such correction requirements and warranties/guarantees are also being negotiated. The government will be notified as to the details upon acquisition of such requirements by the F-22/NATF team, in accordance with Special Contracts Requirements Clause H-016.

7.3.2.5 Foreign Sources. The team has identified various potential foreign sources to be selected upon contract

award, as listed in Figure A2-16. In accordance with prime contract requirements, and as was accomplished during Dem/Val, the Contracting Officer (CO) either has been or will be properly notified prior to solicitation of a foreign source, or application for an export license, as applicable (see attached sample notification letter, Attachment A2-3).

FOREIGN SOURCE	SYSTEM/EQUIPMENT	LOCATION
LASC; GEC FAIRCHILD SEXTANT	HUD DTU/MM ADDRESS CELLS	ENGLAND FRANCE FRANCE
BMA; NORMAL AIR/ GARRETT WALTER KODIE	OBOGS & ANTI-G VALVE FIRE DETECTION	ENGLAND FRANCE
GD; LEAR	FLIGHT CONTROL HARDWARE	ENGLAND
GEC	STICK CONTROLLER	ENGLAND

* REVIEWING ALTERNATE SOURCES

LMC-2006

Figure A2-16. F-22/NATF Identified Foreign Sources

7.3.2.6 Foreign Nationals. Foreign Nationals will not be granted access to any classified equipment/technical data, generated or delivered in performance of the F-22/NATF program. Only U.S. citizens will be granted F-22/NATF program access. However, if a Foreign National requires access to unclassified equipment/technical data, generated or delivered in performance of the contract, the Contracting Officer will be properly notified in writing. Upon Contracting Officer approval (as required) an export license application for unclassified articles/technical data will be submitted to the U.S. Department of State in accordance with the International Traffic in Arms Regulation (ITAR) 22 CFR Sections 121-128. Only upon receipt of Department of State approval will Foreign Nationals be granted unclassified access to the F-22/NATF programs.

7.3.2.7 Review of Proprietary Data. Our subcontractors are required to grant their permission for the disclosure and release of any/all data submitted under the subcontract marked with a limited, restricted or proprietary legend, to a support contractor of the Government for the purpose of reviewing the propriety of the marking. In those cases where the subcontractor has identified data with other than unlimited rights we will continue to pursue obtainment of unlimited rights.

